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REMARKS

Election/Restrictions

The Office Action states that in light of Applicants' response filed on January 3, 2006, the election/restriction requirement has been withdrawn, and the claims will be examined in their entirety as originally filed. Office Action Mailed May 4, 2006, Page 2. Applicants thank the Examiner for the withdrawal of the election/restriction requirement.

Claim Rejections

Rejection of Claims 1-37 under 35 U.S.C. § 103(a)

Claims 1-37 stand rejected under 35 U.S.C. § 103(a) as unpatentable over U.S. Patent No. 6,460,020 issued to Pool et al. ("Pool") in view of U.S. Patent No. 7,024,383 issued to Mancini et al. ("Mancini"). Applicants respectfully traverse.

For the rejection under 35 U.S.C. § 103(a) to be proper, the reference taken as a whole either alone or in combination with another reference must teach or suggest every element of the claimed invention. Applicants respectfully submit that neither Pool nor Mancini either alone or in combination teach or suggest every element of the claimed invention.

Neither Pool nor Mancini taken as a whole alone or in combination teach or suggest at least the following elements recited by Applicants' independent claims 1, 19, 20, and 37:

"generating hedging instruction information to provide instructions on whether to exchange from said first type of currency to said second type of currency, based on said hedging rules."

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For at least this reason, Applicants submit that the pending independent claims should be allowable. By virtue of their dependency on Applicants' allowable independent claims, the pending dependent claims are also submitted to be in condition for allowance.

Pool is directed to a universal shopping center for international operation. The shopping center of Pool "provides a pre-transactional calculation of all charges involved in any international transaction." Abstract. In response to a customer selecting goods and a currency in which to pay for the goods, the price of goods is converted from the currency of the goods as advertised into the currency in which the customer wishes to pay for the goods. Col. 5, l. 58 – col. 6, l. 3. The universal shopping center of Pool freezes the conversion rate for a particular point in time, and a small percentage of the transaction cost is added to the conversion rate to account for changes in the conversion rates. Col. 6, ll. 4-19. If the advertised currency and the customer-selected currencies are undergoing wide fluctuations, an alarm is activated that suspends trading. Col. 6, ll. 20-36.

The universal shopping center of Pool does not address currency exchange but is instead directed to converting the cost of goods actually presented to the a customer in a particular transaction from a first currency to a second currency based on equivalency of the two currencies. After goods are priced by the seller in the first, advertised currency, the user selects the goods for purchase and the desired currency in which the user would like to pay. Col. 5, l. 58-col. 6, l. 19. The conversion occurs, and the customer is informed of the price of the goods in the customer-selected currency, based on an

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equivalent currency conversion rate for the two currencies. In the universal shopping center of Pool, the price of the goods is not based in the first instance on the foreign exchange rates of the two currencies, and the price of the goods is not updated or changed to reflect pricing rules. Moreover, nowhere in Pool is the concept of exchanging currencies discussed.

Moreover, Pool does not teach or suggest the use of hedging instructions that define the rules for exchanging currencies (rather than the purchase of goods) as recited in Applicants' claims. The concept of hedging instructions does not appear to be contemplated by Pool at all. Pool seeks to address volatility in currency conversion rates by adding a cushion to protect the seller by adding a percentage of the transaction cost to the conversion rate, but not by determining an appropriate time to exchange currencies based on hedging rules.

Mancini does not cure the defects of Pool. The Office Action states that "Currency conversions and hedging currency conversions during actual transactions, in addition to pre-transaction calculations, are old and well-known in the art of international and/or cross-border transactions, as evidenced by Mancini." See Office Action of May 4, 2006, page 4. However, Mancini does not teach or suggest a determination of at least "whether to exchange from said first type of currency to said second type of currency, based on said hedging rules" as recited by Applicants' independent claims 1, 19, 20, and 37. Moreover, Mancini fails to teach or suggest "generating hedging instruction information...based on said hedging rules." The determination of whether to exchange currencies based on hedging rules as recited by Applicants' claims allows the customer

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flexibility to determine the appropriate hedging rules, which generate hedging instructions in response to conditions defined by the hedging rules. Customer-configurable hedging instructions as described by Applicants' specification allow the customer to use hedging rules to maximize the customer's return based on fluctuations in currency markets.

Mancini relates to an online sales risk management system for providing risk management for online transactions. Abstract. The system of Mancini manages risk associated with conducting business in multiple currencies by market-based pricing or with a predetermined pricing service. Access to the risk management system of Mancini is transparent to the buyer and seller involved in an online transaction (i.e., determined externally to the buyer or seller). Col. 3, ll. 58-62.

Figures 3a and 3b of Mancini are illustrative of the risk management system described in Mancini. An e-seller site 312 or an e-buyer site 322 communicate with a Currency Exchange Institution 314. Local currency information is communicated to the Currency Exchange Institution 314 (i.e., steps 313 and 323), and the Currency Exchange Institution 314 communicates base currency information back to the e-seller site 312 or the e-buyer site 322 (i.e., in steps 315 and 325, respectively). Col. 6, l. 34-col. 7, l. 32. The base currency information is provided from the Currency Exchange Institution 314 based on the market price or a predetermined currency price contracted for a particular time period. Col. 6, ll. 9-17. More specifically, the Currency Exchange Institution 314 exchanges currency based on the market price or a predetermined negotiated currency price.

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In contrast, as recited in Applicants' claims, currency is exchanged in response to hedging instructions that are provided when a condition of a hedging rule is met. The hedging rules, and hence the hedging instructions to exchange currency, are determined by the customer (e.g., seller S), and communicated from the seller portal 28 to the foreign exchange hedger engine 15 of Figure 2. See Paragraphs [0045] and [0049]. The hedger engine 15 performs hedging operations in response to receiving the hedging instructions from the seller portal 28 and not automatically based on, for example, information stored at the hedger engine 15. The determination of whether to send hedging instructions occurs at the seller portal 28. Hence, when and whether hedging occurs as recited by Applicants' claims is determined by (i.e., not transparent to) the customer. For this reason, the hedging rules are unilaterally configurable by the customer, and hedging occurs, if at all, according to the customer's selection or preferences.

As recited by Applicants' claims, the customer is given more flexibility in establishing and changing the hedging rules than in the system of Mancini in part because the hedging rules determine whether a hedging instruction is sent and whether the currency exchange actually occurs. Flexibility for the customer allows the customer to change the hedging rules in response to the customer's business and assists the customer to more closely associate the hedging activity that occurs at the hedger engine with the underlying e-commerce that generates the need for hedging, which in turn, allows the customer to realize greater return on currency exchanges.

Hence, neither Pool nor Mancini teach or suggest a method or system in which "generating hedging instruction information to provide instructions on whether to

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exchange from said first type of currency to said second type of currency, based on said hedging rules” as recited by Applicants’ independent claims. For at least these reasons, Applicants respectfully submit that claims 1, 19, 20, and 37 are allowable. Claims 2-18 depend directly or indirectly from claim 1, and Applicants believe that these claims also define patentable subject matter. Claims 21-36 depend directly or indirectly from claim 20, and Applicants believe that these claim also define patentable subject matter.

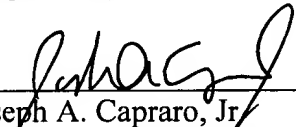
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CONCLUSION

In view of the foregoing remarks, and the inability of the applied references, alone or in combination, to anticipate, suggest or make obvious the subject matter as a whole of the invention disclosed and claimed in this application, all the claims are submitted to be in a condition for allowance, and a notice to that effect is earnestly solicited.

If there are any issues that remain, the undersigned requests that the Examiner contact him to discuss these issues so that Applicants may put the present application in condition for allowance.

Respectfully submitted,



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